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DEPARTMENT OF STATE
POLICY PLANNING STAFF

March 4, 1953

Copy of underlying memo to JF - LH.

To: S/P - Mr. Nitze

From: S/P - Mr. Thurston

I suggest that the underlying memo be recast in the form of a memo from you and for Quiet to the Secretary from Doc - for Smith

I submit the attached memorandum concerning Guatemala with the caveat that the new Administration could not initiate its relations with Latin America in a more regrettable fashion than by action that could be regarded in that area as intervention. For this reason it might be well, before any of the steps discussed in the memorandum is taken, to discuss the Guatemalan problem (as was mentioned at your staff meeting the other evening) with one or two of the more mature Latin Governments, such as Brazil and Mexico.

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SECURITY INFORMATION
DEPARTMENT OF STATE

POLICY PLANNING STAFF

March 3, 1953

To: Mr. John M. Cabot, ARA
Mr. Paul H. Nitze, S/P

Subject: Guatemala

Today's New York Times carries a despatch from Guatemala reporting statements made by President Arbenz at the opening session yesterday of the Guatemalan Congress indicating that an adverse decision may be expected from him in the United Fruit Company's final appeal to avoid expropriation of 225,000 acres of its West Coast properties. His remarks emphasize the need for the preparation of a sound case against the Communist influence in Guatemala which we must be in a position to adduce in support of the application of any new policies with respect to that country. Omission of this important step might subject the United States to the accusation by the Guatemalan Government (which would find echo elsewhere in Latin America, notably Argentina) of intervention.

It is believed that the Department can readily compile evidence, based upon its own intelligence reports and data from other countries, in particular El Salvador, which would substantiate charges that the Guatemalan Government is assuming Communist characteristics; that in the guise of agrarian and other social reforms, it is seriously injuring legitimately established American interests; and that it threatens the peace and security of neighboring countries by tolerating an aggressive policy of Communist infiltration.

Based upon the assumption cited in the preceding paragraph, the following courses of action, listed in the order of their desirability and priority, appear to be indicated.

1. Immediate representations to the Guatemalan Government, at highest level, both here and in Guatemala, to make clear the serious concern with which the present Administration views the widespread Communist influence in Guatemala.

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Comment:

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Comment:

Although this action has heretofore been taken, without satisfactory results, it is the logical first step at this time. It would convey to the Guatemalans the warning that the new American Administration is just as concerned as the preceding one over the possibility of the establishment of a Communist regime in this hemisphere. It would not entail or preclude subsequent more affirmative action.

2. Encourage the Organization of Central American States (ODECA) to take a strong anti-Communist stand at its meeting scheduled to be held in Guatemala on May 2.

Comment:

The Salvadoran Government has already indicated its intention to propose that an anti-Communist resolution be included on the agenda for the first meeting of the ODECA. Awareness of this intention, in fact, caused the Guatemalan Government to postpone the meeting of the ODECA which was to have been held some months ago. Such action, if taken, should lend encouragement to the confused and largely impotent anti-Communist elements which exist in Guatemala and could be used to strengthen the case against Guatemala in possible future OAS action. Should the Guatemalan Government, anticipating this development, again postpone the ODECA meeting, we could suggest that other members of the Organization meet elsewhere.

3. Preparation for possible submission to the OAS the case showing the extent of Communist influence in Guatemala as well as efforts to infiltrate and subvert neighboring States; and a proposal to El Salvador, Honduras and Nicaragua to collaborate in the exchange of information concerning both of these points.

Comment:

Reference of the Guatemalan threat of Communism to the OAS could be accomplished under Resolution XXXII adopted at Bogota in 1948 and under Articles 6 and 8 of the Rio Treaty of 1947. In this connection, Resolutions I and VIII adopted at the Fourth Meeting of Consultation of (American) Ministers of Foreign Affairs held in Washington in 1951 are pertinent.

4. Approach

4. Approach the Governments of Nicaragua, El Salvador and perhaps other Central American countries for the negotiation of military assistance agreements under the Mutual Security Act, it being understood that relatively small amounts of grant aid from the existing appropriation would be furnished should agreement be reached. Such agreements could be made under the existing legislation although it would be necessary to obtain the approval of the Joint Chiefs of Staff and the President. These agreements would not only serve to encourage the anti-Communist stand of Guatemala's Central American neighbors but would be calculated to encourage opposition within Guatemala, particularly in the Guatemalan armed forces.

Comment:

A preliminary step toward this more generalized procedure could be taken by granting to the Government of El Salvador some part of the military aid its special mission now in this city has requested.

5. Intensify information programs designed to warn the Guatemalans, and Latin Americans in general, of the dangers of international communism.

Comment:

This medium should emphasize that the activities of Communism in Guatemala (and elsewhere) constitute intervention in its most dangerous form. The word "intervention" should be stressed, as it will convey a generally recognized and repugnant meaning.

Some thought has also been given to the application by the United States of economic sanctions and to suggestions by those countries which have already expressed to us their concern about Guatemala that with our moral support, they would encourage and support with armaments and men a revolutionary movement in Guatemala. Unilateral economic sanctions probably would redound to the discredit of the United States (under the theory of "economic aggression"), provoke action against important American interests, and prove to be ineffectual. We have, of course, declined to give moral support to the proposal for revolutionary intrigue.

In view of historic and current rivalries and antagonisms between various of the Central American and Caribbean States, any course of action which would encourage one or more of them

them to instigate internal armed conflict in Guatemala or which might lead to international armed conflict would very probably lead to international hostilities of a most destructive and uncontrollable kind. Moreover, should evidence of encouragement of revolutionary activities against Guatemala be brought before the OAS, this Government and the other members of the organization would be placed in a most difficult position in respect of inter-American commitments. The prudent and proper course for this Government to take would be frank consultation with other American Governments so that agreement might be reached on the nature of the problem and on the joint measures within the framework of existing inter-American agreements that might be taken to deal with it.

S/P:WThurston:bh
RRubottom, ARA
EJamison, ARA